No. 465 of 1868.

To

A. ROGERS, Esq.,
Revenue Commissioner, N.D.

Camp Bhestan, 12th March 1868.

Sir,

I have the honour to submit the report on the cession of the proceeds of occupancies to municipalities, called for in your No. 610, of the 20th ultimo.

2. The Government of India is apparently under the impression that the Bombay Government has made this cession because it thought the municipalities had a right to it on the ground that they are the parties "who were responsible for the theoretical advantages of the site" (from which the value of the occupancy is derived) "being practically secured." The Government of India freely admits that the municipalities have a claim on this ground, but thinks that it has been more than satisfied by the grant of the whole proceeds of occupancies, or "five times the amount of its own rental," and that as Ahmedabad has not, like Kurrachee, claims to special assistance on imperial grounds, all that should be conceded is permission to assess Government land according to its rental in the same proportion as other landed property.

3. Were the premises of the Government of India correct, it might be rejoined that since they admit that the rent of Government land rises from Rs. 7 to Rs. 48 per acre, or seven times, through its being taken up for building purposes, and that this is an advantage which the municipality are responsible for practically securing, the cession of only five times the amount of rental instead of seven times, was, if anything, too small, instead of too large, a concession. And it might be added that the form selected for reimbursing the municipalities by letting them have whatever each occupancy will fetch in open market is about the fairest and simplest way of giving them a payment "bearing some proportion to the value of the land," and is, moreover, a "cash payment at once," for which the Government of India expresses a preference, as also the most advantageous mode for Government, since it is in fact a composition for 99 years of the claims of the municipality, which would otherwise, if assessed on the property, increase annually with the progress of civilisation, and in time probably absorb all the Government income.

4. The fact is, however, that the cession in question is based on grounds totally different from those supposed, being simply a reimbursement to the municipalities for the expense of surveying

Government lands which they are bearing. This will be seen clearly from Government Resolution No. 3044, of September 9th, 1863, as also from the subsequent resolutions regarding the surveys of Surat, Broach, and Balsar.

5. So far from the cession which is objected to being in any way a gain to the municipalities, it has been since found, as you are aware, that they had made a—for them—most unfavourable bargain, and it has been recently necessary for Government to undertake the cost of the superior officers of the survey, the municipalities paying only the subordinate establishments, in order to adjust the burden tolerably equally between the two. In illustration of this I may give the quotation in the margin, which concisely states the financial result of the revised arrangements which have been sanctioned in Government Resolution No. 3921, of November 14th, 1867, nothing can be fairer than the principles on which these arrangements are based, and Government could in no way be a gainer by altering them.

Extracts paras. 13 *and* 14 *of the Collector and Superintendent of Survey's joint report, No.* 1367, *August* 24*th.*

"13. The interest of 3 lakhs of rupees, which the municipalities are expected to realise, being Rs. 15,000 a year, it will be seen that they and Government will receive about equal annual returns from the survey. But Government will get this annual return at a cost of only Rs. 72,580, whereas the municipalities will have to pay Rs. 1,14,000 for the same amount. Again, if we deduct the interest of these two sums, viz., Rs. 3,625 and Rs. 5,700, respectively, from the annual returns of Rs. 15,000 obtained by each party, the result is a profit of Rs. 11,375 per annum to Government, but only Rs. 9,300 per annum to the municipalities. If in addition to this it be borne in mind that the gain to the municipalities is once for all, whereas Government possess the right to re-assessment, and fine for continued occupancy at the end of 99 years—a right, the value of which may be enormous, and are also proprietors of the maps and survey records—it is impossible to resist the conclusion that the arrangement is very favourable to Government.

"14. There is also a further large advantage to Government that the present survey is performing work which would otherwise be undertaken in ordinary course by the Trigonometrical Survey (which measures all large cities in detail) and will perform it at about half the cost which that agency would involve even if the extended arrangements now proposed are sanctioned."

6. The cession being thus shown to be on totally different grounds from those supposed by the Government of India, the objections of the latter necessarily fall to the ground as far as it is concerned. But they are in themselves most important in another way as admitting on the part of Government a liability to the municipalities which the latter have never yet urged. They will, no doubt, be ready to do so on the matter being brought to their notice.

7. In conclusion, I beg to state, with reference to the concluding portion of the Government of India's memorandum, that the right of occupancy is usually sold in Surat, Broach, and Balsar,

and also, I believe, in Ahmedabad, for 99 years only, a right of re-assessment and fine for renewal of occupancy being reserved to Government at the end of that time, and that the assignment made to the municipalities of a share in the assessment of alienated lands has been withdrawn by Government Resolution No. 1150, of March 21, 1867. I may also explain that the one anna rate for temporary occupancy is in practice very rarely charged, and that when it is, there is no title of the Government share being endangered, since the whole is levied by the Revenue Department, and the municipal share disbursed subsequently.

T. C. HOPE.

No. 466.

True copy forwarded for the information of the Collector of Ahmedabad.

T. C. H.

No. 196.

FROM

A. O. HUME, Esq., C.B.,
Secretary to the Government of India,
Department of Agriculture, Revenue, and Commerce,

To

THE CHIEF SECRETARY TO THE GOVERNMENT OF BOMBAY.

(Land Revenue and Settlement.)

Simla, the 19th August 1871.

SIR,

I am directed to acknowledge the receipt of your letter No. 485, dated the 28th of January last, and in reply to state that, looking to the exceptional circumstances of the case, the Governor General in Council is pleased to confirm the proceedings of the Government of Bombay in regard to the cession to the Ahmedabad Municipality of the sale proceeds of the right of occupancy of land situated within the municipal limits of that town.